BRAZILIAN TRACTION LIGHT AND POWER COMPANY LIMITED

TWENTY-THIRD ANNUAL REPORT

FOR THE YEAR ENDED
31ST DECEMBER 1935

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Brazilian Traction, Light and Power Company, Limited.

(Incorporated under the Laws of the Dominion of Canada.)

AUTHORIZED SHARE CAPITAL.

ORDINARY SHARES —**7,600,000 shares of No Par Value, subject to increase up to a total of 7,933,333 shares of No Par Value by conversion of Preference Shares.**

PREFERENCE SHARES—**100,000 shares of the Par Value of $100 each, convertible into Ordinary Shares of No Par Value on the basis of 3 Preference Shares for 10 Ordinary Shares. (Approximately 96% of these shares have been converted at the date of this report.)**

Board of Directors.

MILLER LASH, K.C., *President.*

E. R. WOOD, *Vice-President.*
H. MALCOLM HUBBARD, *Vice-President.*
WALTER GOW, K.C., *Vice-President.*
SIR ALEXANDER MACKENZIE, K.B.E.
RIGHT HON. SIR THOMAS WHITE, G.C.M.G.
SIR JOHN AIRD.
C. D. MAGEE.
R. C. BROWN, *Vice-President.*
A. W. K. BILLINGS, *Vice-President.*
H. H. COUZENS, *Vice-President.*
D. B. HANNA.
J. W. MCCONNELL.
A. P. HOLT.
S. G. CROWELL.

Secretary and Treasurer.

A. W. ADAMS.

Assistant Secretaries.

D. H. CROMAR. W. D. HOOPER.

Bankers.

THE CANADIAN BANK OF COMMERCE, TORONTO, NEW YORK AND LONDON.
THE BANK OF SCOTLAND, EDINBURGH AND LONDON.
LLOYDS BANK LIMITED, LONDON.

Solicitors.

BLAKE, LASH, ANGLIN & CASSELS, TORONTO.

Auditors.

CLARKSON, GORDON, DILWORTH & NASH, TORONTO.

Offices.

HEAD OFFICE - 25 KING STREET WEST, TORONTO 2, CANADA.
LONDON AGENTS - CANADIAN & GENERAL FINANCE CO., LIMITED, 3 LONDON WALL BUILDINGS, E.C. 2.

Brazilian Traction, Light and Power Company, Limited.

TWENTY-THIRD ANNUAL REPORT

OF THE

BOARD OF DIRECTORS TO THE SHAREHOLDERS

For the Year ended 31st December, 1935.

THE Board of Directors beg to submit their Twenty-third Annual Report and Accounts, together with a report by the President on the enterprises in Brazil.

The revenue of the Company resulting from the year's operations was as follows:

Revenue under contracts with Operating Companies	$5,252,345.65	
Interest on Investments and other Miscellaneous Income	289,406.38	
		$5,541,752.03
General and Administration Expenses		331,513.76
Net Revenue		$5,210,238.27
Four Quarterly Dividends on Preference Shares at the rate of 6% per annum		23,604.00
BALANCE		$5,186,634.27

Note–The provision for general amortization is now included in the charges of the operating companies, instead of in the above statement as heretofore, as will be seen by reference to the tabulation on page 4 hereof, the amount for 1935 being the same as for 1934.

The net revenue shown in the above statement (less the dividends paid on the preference shares), is equivalent to

approximately 73¾ cents per share on the outstanding ordinary share capital at the end of the year.

The following comparative statement shows the combined earnings and charges of the operating companies and of this Company, and the resulting net income of this Company for the past four years.

Excluding Inter-Company Items.	Year ended 31st December			
	1932.	1933.	1934.	1935.
Gross Earnings from Operation	$29,358,420	$28,469,704	$30,692,415	$30,221,757
Miscellaneous Revenue of Operating Companies	174,583	426,827	539,166	357,637
Total Revenue of Operating Companies	$29,533,003	$28,896,531	$31,231,581	$30,579,394
Less: Operating Expenses	$12,569,087	$12,973,647	$14,616,593	$14,144,485
Charge for Depreciation and Renewals	7,624,905	7,720,803	8,067,847	8,008,054
Bond Interest	2,967,477	3,335,902	3,435,104	2,000,103
Sinking Funds and other Charges	695,679	907,776	884,102	674,406
Provision for General Amortization	.....	.....	.....	500,000
Total Charges of Operating Companies	$23,857,148	$24,938,128	$27,003,646	$25,327,048
Balance being Revenue to Brazilian Traction, Light & Power Company, Limited	$ 5,675,855	$ 3,958,403	$ 4,227,935	$ 5,252,346
Interest on Temporary Investments	$ 218,474	$ 70,032	$ 63,209	$ 77,419
Miscellaneous Income	152,951	190,178	191,065	211,987
	$ 371,425	$ 260,210	$ 254,274	$ 289,406
Gross Revenue, Brazilian Traction, Light & Power Company, Limited	$ 6,047,280	$ 4,218,613	$ 4,482,209	$ 5,541,752
General and Administration Expenses	$ 357,812	$ 339,658	$ 346,710	$ 331,514
Provision for General Amortization	450,000	450,000	500,000	.....
Total Charges, Brazilian Traction, Light & Power Company, Limited	$ 807,812	$ 789,658	$ 846,710	$ 331,514
Net Revenue, Brazilian Traction, Light & Power Company, Limited	$ 5,239,468	$ 3,428,955	$ 3,635,499	$ 5,210,238

The improvement in the volume of business of the operating companies continued during 1935 as will be seen by reference to the statistics of the various services appended to this report. Due to lower exchange the gross earnings in 1935 were slightly

less than the previous year notwithstanding the increased business of the companies. The gross earnings in 1935 (as in the previous year) were also affected by the reduced temporary rates in certain of the services referred to in previous reports.

General control of exchange through the Bank of Brazil has been maintained during the year with restrictions as to buying of exchange in quantities. The exchange regulations which came into force on 11th February, 1935 as outlined in last year's report continue in effect whereby 35% of the exchange arising from exports, with a few exceptions, is taken over by the Bank of Brazil at the official rate, for government and Bank of Brazil requirements, the balance being left in the free market. In 1935 the exchange value of the milreis declined considerably, the scarcity of exchange being at times very marked. At the close of 1934 the rate on the free market for sight drafts on New York was 6.64 cents and for sight drafts on London 3-29/128d. At the close of 1935 the corresponding rates were 5.48 cents and 2-43/64d. The lows for the year were 5.28 cents and 2-37/64d. The official rates throughout the year were practically unchanged, the closing rate for sight drafts on New York on 31st December, 1935, 8.47 cents, being the same as at the end of the previous year. These official quotations are no longer of general interest from the standpoint of the exchange market as they apply only to the proportion of export bills withheld for official purposes as referred to above and to certain old transactions respecting imports under earlier regulations. The arrears of unpaid bills for imports from Great Britain and the United States of America are being provided for under special agreements recently completed with those countries whereby the accumulations, except as to relatively small amounts which will be paid in cash immediately, will be liquidated within a period of 5 years.

All payments have been punctually made to date under the agreement dated 29th June, 1933, referred to in previous reports, between the Bank of Brazil on behalf of the government and

N. M. Rothschild & Sons, providing for the liquidation in sterling by monthly instalments over six years, of certain milreis accumulations deposited with the Bank of Brazil by the participants in the arrangement including our companies.

There has been no change of importance in the situation referred to in previous reports with regard to the rates for those services for which the authorities in Brazil arbitrarily fixed temporary rates following the abrogation of all contractual clauses providing for variation of the rates in accordance with the exchange value of the milreis. This matter continues to receive the close attention of the Board and the management in Brazil but due to conditions beyond the control of the companies concerned little real progress has been made towards readjustment.

The current assets and liabilities of the operating companies in Brazil were valued at the end of the year in dollars at the closing free market sight rate for exchange on New York. The combined earnings in dollars of the operating companies for the year which are published monthly and appear in total in the tabulated statement on page 4 of this report, represent the milreis figures calculated at arbitrary rates of exchange fixed each month having regard to the exchange position.

On the small balance of preference shares outstanding the usual quarterly dividends at the rate of 6% per annum were paid during the year.

Out of the year's revenue there has been set aside by the operating companies the sum of $8,008,054 for depreciation of their physical properties.

The cash expenditure on the properties of the operating companies during the year amounted to approximately $12,000,000, representing additions, improvements and replacements essential to the proper carrying on of the services. The necessary adjust-

ments have been made in plant and depreciation accounts in respect of works renewed or replaced.

As indicated in last year's report, the outstanding First Mortgage 30-Year 5% Bonds of The Rio de Janeiro Tramway, Light & Power Company, Limited were duly redeemed at maturity on 1st January, 1935 and this change in funded debt and annual charges is reflected in the year's accounts.

During 1935 Dr. Odilon E. A. Souza, who has been Assistant to the Vice-President and General Manager of The São Paulo Tramway, Light & Power Company, Limited and São Paulo Electric Company, Limited, was appointed General Manager of these companies, Dr. Edgard de Souza who so ably occupied the post for many years continuing as Vice-President. During the year Dr. Edgard de Souza was elected a director of The San Paulo Gas Company, Limited and the Brazilian Telephone Company and a Vice-President of the latter. Mr. H. L. Banfill was appointed Chief Engineer in charge of administration of Brazilian Telephone Company.

Your Directors desire to express their continued sense of appreciation of the loyal and efficient services rendered by all of the executive officers, heads of departments and other officials of the operating companies in Brazil.

A map showing the operating companies' properties in Brazil and statistics and charts showing the growth of the different services are also appended.

By Order of the Board,

A. W. ADAMS,
Secretary.

TORONTO, CANADA,
May 7th, 1936.

REPORT OF THE PRESIDENT.

To the Board of Directors of the Brazilian Traction, Light and Power Company, Limited.

As President of the operating companies, The Rio de Janeiro Tramway, Light and Power Company, Limited, Brazilian Telephone Company, Société Anonyme du Gaz de Rio de Janeiro, The São Paulo Tramway, Light and Power Company, Limited, Brazilian Hydro Electric Company, Limited, and São Paulo Electric Company, Limited, and Chairman of The San Paulo Gas Company, Limited, and The City of Santos Improvements Company, Limited, I beg to submit the following report on the operation and condition of their services for the year 1935.

TRANSPORTATION.

No progress was made in the negotiations for the reform of the companies' transportation franchises to which reference has been made in previous reports.

Tramways.

During the year there was a net increase in track extensions of 11.69 miles, about two thirds of which is accounted for by the construction of the Madureira-Vaz Lobo-Penha line in Rio de Janeiro. 28.10 miles of track were reconstructed.

Buses.

The combined fleet at the end of the year numbered 160 gasoline driven buses, 6 old type vehicles having been withdrawn from service.

SHOPS AND STORES.

The companies again continued the policy of extending the scope of manufacture in the shops, thereby increasing

employment in Brazil and reducing still further the importation of manufactured articles required for the various services operated by the companies.

Electric Light and Power.

Generating Plants.

To meet the growth of the demand in São Paulo the third unit referred to in last year's report was installed during the year at the Serra plant and put into commercial service in January, 1936. Work was continued on the Rio Grande reservoir structures in connection with the same plant.

Distribution System.

During the year the connected transformer capacity was increased to 1,056,571.5 K.V.A. Additional duct lines constructed during the year amounted to 44.59 miles with 27.75 miles of underground cable laid, bringing the totals at the end of the year to 1,133.66 and 1,205.76 miles respectively.

The mileage of transmission lines in service at the end of the year totalled 1,731.6 miles, an increase of 89.59 miles over 1934. Overhead distribution lines were increased during the year by 949.71 miles, the total strung at 31st December aggregating 22,322.05 miles. 6,926 additional poles were set, the total at the end of the year being 184,335.

In the Federal District of Rio de Janeiro 709 electric lamps were added to the public illumination system, bringing the total number connected at the end of the year to 31,057.

In the city of São Paulo by arrangement with the state authorities, the change from gas to electric lighting remained practically stationary, the total electric lamps in service in that city at the end of the year being 14,924.

Gas.

In Rio de Janeiro various improvements were made to the company's works in connection with the plant for the production and purification of gas, coke grading and handling facilities and augmenting the water supply. Extensions during the year include a further 3½ miles of 14 inch high pressure mains and 16½ miles of low pressure distributing mains.

In São Paulo additional coal storage and gas oil discharging facilities were provided at the works and the tar plant was modernized. The work of remodelling the front part of the office building referred to in last year's report was extended throughout and the rear portion of the premises remodelled so that the building is now up to date and efficient. Additional mains laid in São Paulo during the year totalled approximately 4 miles.

In Santos 2 miles of high pressure arterial main were laid to provide for the increasing demands from the adjoining municipal district of São Vicente.

Telephones.

The increase in the number of telephones in service during 1935 was 14,148.

In the Federal District of Rio de Janeiro the building of the first instalment of the Villa (48) exchange consisting of a new 6,000 line unit, referred to in last year's report, was completed and cut into service at the end of June. The Central (22) exchange extension also referred to in last year's report was delayed and the building was only 40% completed at the end of 1935. A new exchange building to serve the Botafogo area and substitute the old Sul exchange was commenced and at the end of the year was 40% completed. The work for the extension and rearrangement of the Norte (23 and 24) exchange buildings to accommodate a second automatic unit was put in hand and was

50% completed at the end of the year. A new 4,000 line unit was also installed at the Central (42) exchange. The 2,000 line extension at the Ipanema (27) exchange, commenced in 1934, was completed and additional automatic equipment for 800 and 300 lines was installed at the Norte (23) and Central (22) exchanges, all the foregoing being for automatic service.

In the state of Rio de Janeiro, plants at Rio Bonito and Magé referred to in last year's report were placed in service on January 31st and February 1st respectively.

Under the company's concession with the state of Rio de Janeiro an agreement was signed for local service in the municipality of Nova Iguassú where a magneto plant will be installed. Similarly an agreement was signed covering local service in the municipality of Santo Antonio de Padua and the existing magneto plants there and at Miracema were rehabilitated during the year.

In the city of Bello Horizonte, capital of the state of Minas Geraes, an addition of 1,500 lines of automatic equipment was installed and placed in service.

In the state of Minas Geraes a new local plant was installed at São Lourenço and cut into service at the end of March. During the year concessions for local services were signed for the following municipalities in the state—Mar de Hespanha, Ubá, Leopoldina and São Sebastião do Paraizo.

In the city of São Paulo the construction of the new exchange was completed in Jardim America and the automatic equipment installation was 50% completed at the end of the year. Land was purchased for a repeater station in Belemzinho.

In the state of São Paulo land was purchased at Caçapava on which to accommodate local equipment and toll line repeaters. Local service was installed in Vera Cruz (Marillia) and inaugurated on December 13th.

The number of automatic telephones in service on the company's system at the end of the year was 73,674, an increase of 13,141 over 1934. The increase in toll line extensions placed in service during the year throughout the area served by the company totalled 1,988.66 miles and also 114.3 miles of conduit and 90 miles of underground cable were laid and 38.7 miles of overhead wire strung. The net increase in poles set at the end of the year was 7,603.

The international radio telephone service was by agreement with the local authorities made available to 17 additional municipalities in the companies' area, all located in the state of São Paulo.

General.

The combined companies' services showed a progressive rate of growth, the only exception being in the sale of electrical energy where, São Paulo excepted, the increase though substantial was at a slightly lower rate than in the previous year. Compared with 1934 there was an increase in passengers carried by the transportation services of 5.29% and in kilowatt-hours sold an increase of 10.45%, while the gas sales and telephone services showed increases of 7.46% and 10.49% respectively.

Official Brazilian foreign trade statistics for the year 1935 showed a net balance of trade in Brazil's favour expressed on a gold basis of £5,580,707 as against £9,772,305 in 1934, a decrease of £4,191,598 or 42.89%, while expressed on a sterling paper basis the corresponding figures were £9,049,148 as against £16,033,641 in 1934, a decrease of £6,984,493 or 43.56%. This decrease is due to a falling off in the value of exports of £2,227,763 gold or 6.32% and an increase in the value of imports of £1,963,835 gold or 7.71%.

Exports of raw cotton from Brazil in 1935 continued to show steady gains, there being an increase over the 1934 figures of 12,082 tons and £557,000 gold. Cotton now constitutes 15.82%

of the total sterling gold value of Brazilian exports, occupying second place. Special legislation was passed during the year by the Federal Government to assist the financing of cotton and it is expected that this will further stimulate its production.

The quantity of coffee exported during the year amounted to 15,329,403 bags, an increase of 1,182,524 bags or 8.36% as compared with 1934. The value of the coffee exported expressed in Brazilian currency shows an increase of 1.99% but expressed in sterling gold it shows a decrease of 19.34% compared with 1934. In 1935 the elimination of surplus stocks of coffee by destruction was continued but at a much reduced rate, only 1,693,112 bags having been destroyed during the year compared to 8,265,791 bags in 1934. The total elimination up to December 31st, 1935 is stated to be 35,801,000 bags. At the convention of the coffee producing states held in Rio de Janeiro in July it was resolved to continue the present policy of maintaining statistical equilibrium, improving quality and prohibiting new planting of coffee. It was also resolved that 4,000,000 bags of the present coffee crop estimated at 17,270,000 bags be purchased for elimination.

Attention is directed to the final paragraph of last year's report relating to the probable effect of recent constitutional and legislative changes in Brazil on the development or operation, with foreign capital, of certain industries including utilization of water power resources.

MILLER LASH,
President.

May 1st, 1936.

AUDITORS' REPORT.

To the Shareholders of the Brazilian Traction, Light and Power Company, Limited:

We have audited the Head Office accounts of the Brazilian Traction, Light and Power Company, Limited, The Rio de Janeiro Tramway, Light and Power Company, Limited (and its subsidiary, Brazilian Telephone Company), The São Paulo Tramway, Light and Power Company, Limited, São Paulo Electric Company, Limited, (and its subsidiary, The San Paulo Gas Company, Limited), The City of Santos Improvements Company, Limited and Brazilian Hydro Electric Company, Limited, and have examined the certified reports and statements of Messrs. McAuliffe, Davis, Bell & Co., Chartered Accountants, in connection with all the subsidiary companies above enumerated except The City of Santos Improvements Company, Limited, in respect of which company we have examined the certified report and statement of Messrs. Deloitte, Plender, Griffiths & Co., Chartered Accountants, covering the capital and revenue accounts and provisions for depreciation in Brazil for the year ended 31st December, 1935. We have obtained all the information and explanations which we have required. Subject to the foregoing we report that, in our opinion, the attached Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the combined companies' affairs at that date, according to the best of our information, the explanations given to us and as disclosed by the books of the companies.

The net revenues of the operating companies owned or controlled by Brazilian Traction, Light and Power Company, Limited, after provision for or payment of all losses, expenses and charges including depreciation, bond interest and sinking funds, as provided under contracts with them, are payable to and are included in the profit and loss account of the Brazilian Traction, Light and Power Company, Limited.

CLARKSON, GORDON, DILWORTH AND NASH,
Chartered Accountants,
Auditors.

Toronto, May 5th, 1936.

CONSOLIDATED BALANCE SHEET OF

BRAZILIAN TRACTION, LIGHT AND POWER COMPANY, LIMITED,

THE RIO DE JANEIRO TRAMWAY, LIGHT AND POWER COMPANY, LIMITED,
(and its Subsidiary, BRAZILIAN TELEPHONE COMPANY),
THE SÃO PAULO TRAMWAY, LIGHT AND POWER COMPANY, LIMITED,
SÃO PAULO ELECTRIC COMPANY, LIMITED,
(and its Subsidiary, THE SAN PAULO GAS COMPANY, LIMITED),
THE CITY OF SANTOS IMPROVEMENTS COMPANY, LIMITED and
BRAZILIAN HYDRO ELECTRIC COMPANY, LIMITED.

31st December, 1935.

ASSETS.

Capital Account—			
Properties, Plant and Equipment, Construction Expenditure, at cost, including interest during construction, etc.		$234,371,290.61	
Cost of Shares and Securities of and Advances to Companies owned or controlled by Subsidiary Companies, including premium paid on Shares of Subsidiary and Sub-subsidiary Companies acquired		84,892,167.57	
Rights, Franchises, Contracts, Goodwill, etc.	$40,567,358.72		
Discount and Issue Expenses on Bonds and Debentures	4,628,996.97		
		45,196,355.69	
			$364,459,813.87
Sinking Fund Holdings, at cost—			
São Paulo Electric Company, Limited, 1st Mortgage Bonds			1,759,722.63
Current Assets—			
Stores in hand and in transit, including construction material		$ 7,481,597.97	
As determined and certified by the management, at prices not exceeding cost.			
Sundry Debtors and Debit Balances after provision for doubtful accounts		8,283,138.41	
This account includes temporary investments in Government Securities in Brazil having a market value of $334,021.98; also amount of deposit, less instalments paid, under the so-called "Rothschild agreement" (Brazilian Government plan for liquidating in sterling during 6 years from August 1933 certain milreis accumulations awaiting remittance).			
Temporary Investments in Bonds of the Dominion of Canada at book value		4,448,714.07	
(Market value, $4,555,233.75)			
Cash		16,892,030.35	
			37,105,480.80
			$403,325,017.30

Note—Current assets and liabilities of the operating companies in Brazil are included in dollars at the closing "free market" sight rate of exchange at the end of the year.

LIABILITIES.

Capital Stock—issued and outstanding—			
7,028,057 Ordinary Shares of no par value		$179,312,292.86	
3,934 Six Per Cent. Cumulative Preference Shares of the par value of $100 each		393,400.00	
In addition to the above, 16,011 Preference Shares have been transferred to the Secretary on behalf of the Company in respect of the conversion of 96,066 Preference Shares into Ordinary Shares.			
Shares of Subsidiary and Sub-subsidiary Companies outstanding—			
32 Ordinary Shares of the par value of $100 each	$ 3,200.00		
14,543 Six Per Cent. Cumulative Preference Shares of £10 each (£145,430)	707,759.33		
200,000 Six Per Cent. Cumulative Preference Shares of £1 each (£200,000)	973,333.33	1,684,292.66	
Total Capital Stock outstanding			$181,389,985.52
Funded Debt—(Secured by Trust Deeds)—			
The Rio de Janeiro Tramway, Light and Power Company, Limited—			
Five per cent. 50-Year Mortgage Bonds (1st April, 1958)—Balance after Sinking Fund Redemptions (£3,640,596)	$17,717,565.99		
Five per cent. 22-Year Bonds (1st October, 1950) (£271,106) Unsecured	1,319,383.75	$ 19,036,949.74	
The São Paulo Tramway, Light and Power Company, Limited—			
Five per cent. Perpetual Consolidated Debenture Stock (£821,917)		3,999,996.05	
São Paulo Electric Company, Limited—			
Five per cent. 50-Year First Mortgage Bonds (1st January, 1962) (£2,000,000)		9,733,333.33	
The City of Santos Improvements Company, Limited—			
Five per cent. Tramways Debentures (1st December, 1938) Balance after Sinking Fund Redemptions (£22,100)		107,553.33	
In addition, there are bonds outstanding, chiefly in sterling, of companies owned or controlled by a subsidiary company, equivalent to $6,863,899 at par of exchange, on which the interest and sinking fund charges for the year amounting to $399,136 are provided out of the revenue of the subsidiary company.			32,877,832.45
Current Liabilities—			
Sundry Creditors		$ 8,558,690.65	
Bond, Debenture and Share Warrant Coupons and Dividend Cheques outstanding		163,098.59	
Accrued Charges on Funded Debt		557,195.25	
Credit Balances (Provisions for Contingencies and Insurance Funds for Injuries and Damages)		4,060,459.68	
			13,339,444.17
Reserves—			
*Provisions for Depreciation and Renewals (balance after meeting renewals to date)	$70,209,486.60		
Sinking Fund Reserves	7,361,073.22		
General Amortization Reserves	16,984,692.24		
General Reserves	51,431,369.45	$145,986,621.51	
Profit and Loss—Balances 31st December, 1935—			
Brazilian Traction, Light and Power Company, Limited	$29,585,721.55		
Subsidiary Companies	145,412.10	29,731,133.65	175,717,755.16
			$403,325,017.30

*This Reserve includes Provision for Depreciation and Renewals of physical assets of companies owned or controlled by subsidiary companies.

On behalf of the Board:

MILLER LASH,
WALTER GOW, } *Directors.*

PROFIT AND LOSS ACCOUNT for

DEBITS.

General and Administration Expenses (including $32,549.89 covering remuneration of counsel, solicitors and legal advisers and executive officers of Brazilian Traction, Light and Power Company, Limited.)	$ 331,513.76
Balance transferred to Profit and Loss Surplus Account	5,210,238.27
	$5,541,752.03

Note—

Remuneration of Directors including payments by subsidiary companies (excluding executive officers) $59,546.55.

Remuneration of counsel, solicitors and legal advisers and executive officers in Brazil and elsewhere of subsidiary and associated operating companies $442,752.63.

PROFIT AND LOSS

Dividends on Six per cent. Cumulative Preference Shares	$ 23,604.00
Balance, 31st December, 1935	29,585,721.55
	$29,609,325.55

AND POWER COMPANY, LIMITED.

he year ended 31st December, 1935.

CREDITS.

Revenue under contracts with operating companies after payment of or provision for all their charges and expenses including Depreciation, Bond and Debenture Interest and Sinking Funds - - - - -		$5,252,345.65
Interest on Temporary Investments - - -	$ 77,419.03	
Miscellaneous Income - - - - - - - - -	211,987.35	
		289,406.38
		$5,541,752.03

SURPLUS ACCOUNT

Balance, 31st December, 1934 - - - - - - - - - -	$24,399,087.28
Transferred from Profit and Loss Account - - - - - -	5,210,238.27
	$29,609,325.55

STATISTICS OF COMBINED COMPANIES.

TRACTION

SERVICE	*1931.*	*1932.*	*1933.*	*1934.*	*1935.*
Tramways:					
Total Track (miles)	529.59	531.44	531.34	533.46	545.15
Rolling Stock:					
Passenger Cars	1,933	1,926	1,930	1,934	1,937
Freight and Service Cars	322	321	320	310	311
Funicular Railway:					
Total Track (miles)	2.56	2.56	2.56	2.56	2.56
Rolling Stock:					
Electric Locomotives	4	4	4	4	4
Passenger Cars	4	4	4	4	4
Freight and Service Cars	2	2	2	2	2
Steam Railway (Cubatão):					
Total Track (miles)	12.82	13.13	13.13	13.13	13.13
Rolling Stock:					
Steam Locomotives	5	5	5	4	3
Passenger Cars	2	2	2	2	2
Freight and Service Cars	42	42	42	42	42
Gasolene Buses:					
Route (miles)	235.82	185.96	188.36	193.15	194.29
Gasolene Buses	219	193	173	166	160
Car Miles Run—Tramways	56,549,051	57,802,768	59,942,811	62,856,916	64,358,950
Car Miles Run—Funicular Railway	15,954	15,732	15,282	15,438	16,043
Car Miles Run—Gasolene Buses	8,325,516	7,889,125	6,874,452	7,165,010	7,535,277
Car Miles Run—Total	64,890,521	65,707,625	66,832,545	70,037,364	71,910,270
Area Served (square miles approximate)	151	151	151	151	154
Population Served (approximate)	3,006,000	3,068,400	3,193,500	3,204,850	3,262,540
Total Passengers Carried	726,497,735	728,134,991	753,786,219	782,406,381	823,796,758

ELECTRIC LIGHT AND POWER

Kilowatt Hours Sold	797,832,158	821,164,791	903,467,487	1,013,977,127	1,119,893,048
Capacity of Generating Plants (K.W.)	317,717	317,599	317,739	321,484	321,484
Total Connected Load (K.W.)	713,571	730,109	744,091	783,083	797,396
Total Consumers	331,415	348,783	366,094	387,808	413,526
Transmission Lines (miles of circuit)	1,648.72	1,634.10	1,603.13	1,642.01	1,731.60
Distribution Lines (miles of wire)	18,409.92	19,476.04	20,530.33	21,372.34	22,322.05
Area Supplied (square miles approximate)	11,439	11,439	11,441	11,442	11,540
Population Served (approximate)	4,242,700	4,323,600	4,407,400	4,469,000	4,546,000

GAS

Gas Sold (cubic metres)	102,434,706	96,225,888	102,044,183	105,289,685	113,143,923
Total Consumers	74,509	78,432	83,208	89,042	96,963
Mains Laid (miles)	1,032.83	1,044.77	1,056.37	1,073.17	1,099.18
Stoves, Water Heaters and Other Appliances	110,724	112,948	116,966	120,688	131,417
Area Supplied (square miles approximate)	93	93	93	93	96
Population Served (approximate)	2,030,000	2,030,000	2,030,000	2,133,000	2,206,300

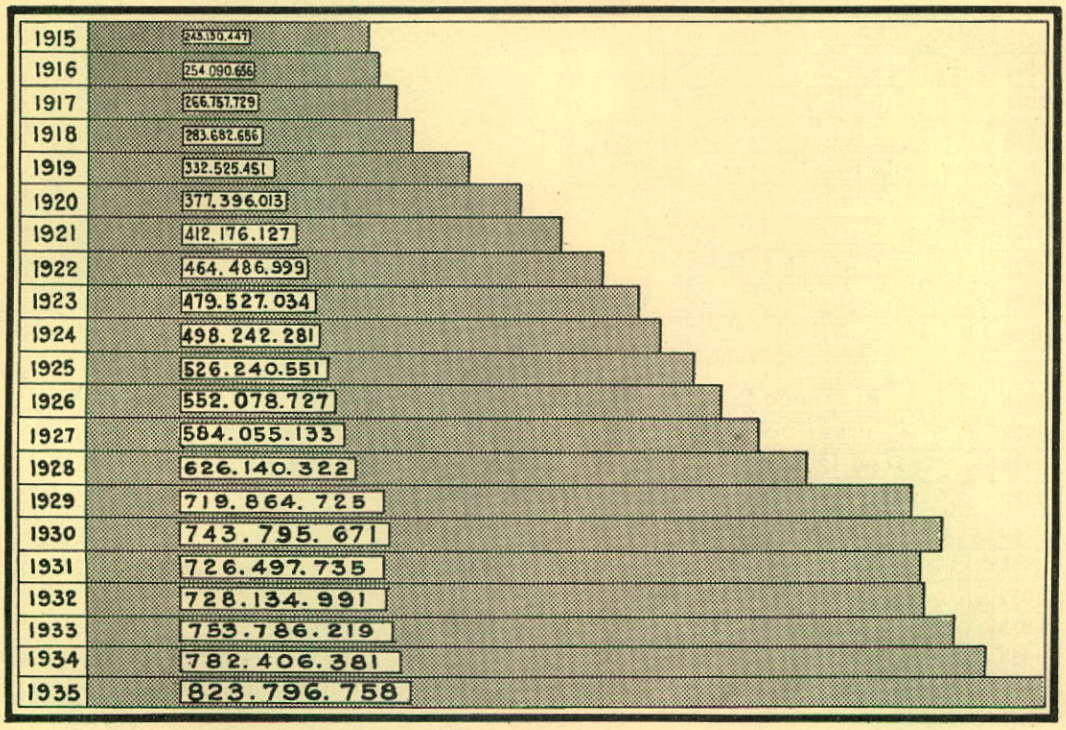
WATER

Water Sold (cubic metres)	9,488,864	9,436,287	9,660,211	9,970,876	10,487,893
Total Consumers	17,029	17,454	17,725	18,274	19,121
Trunk Mains Laid (miles)	38.11	38.18	38.68	38.68	38.68
Distribution Mains Laid (miles)	209.68	213.61	218.08	224.69	231.87
Area Supplied (square miles approximate)	52	52	52	52	52
Population Served (approximate)	165,000	165,000	165,000	170,000	170,000

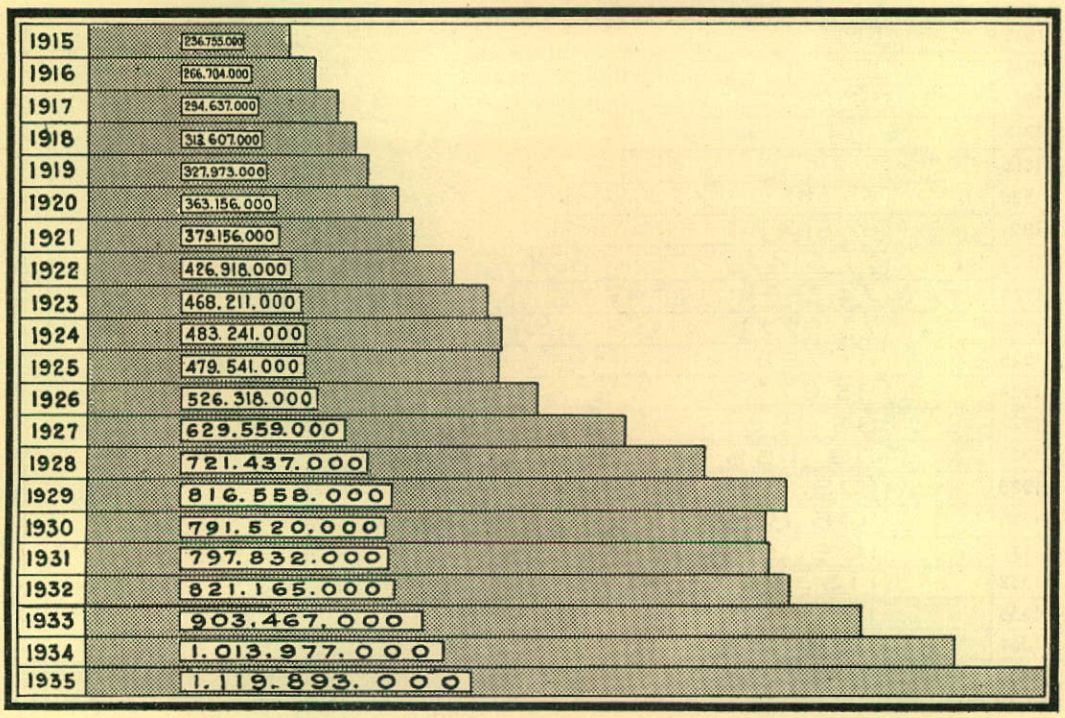
TELEPHONES

Total Number of Telephones in Service	106,208	113,588	122,253	134,886	149,034
Average Daily Calls	1,385,094	1,438,300	1,630,888	1,886,773	2,195,476
Wire Strung (miles)	510,438	518,000	530,934	594,147	669,999
Pole Lines (miles)	5,658	5,767	5,617	5,734	5,865
Area Served (square miles approximate)	87,159	87,159	88,466	88,466	88,466
Population Served (approximate)	9,158,000	9,229,000	9,372,000	9,447,000	9,673,000

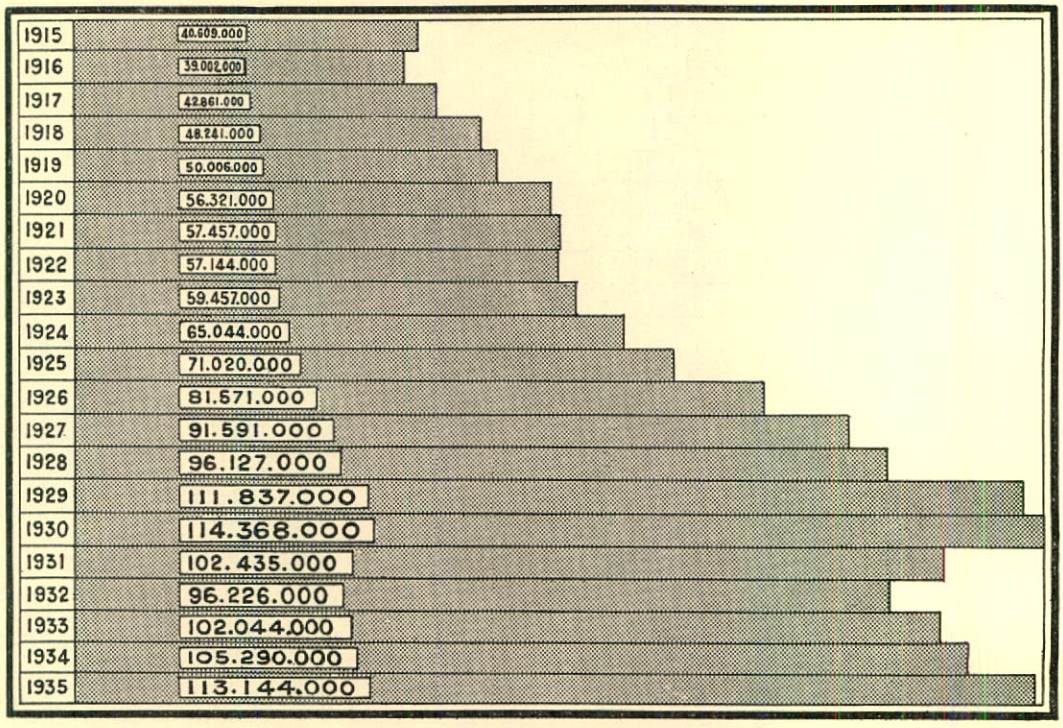
TRACTION SERVICES - PASSENGERS CARRIED



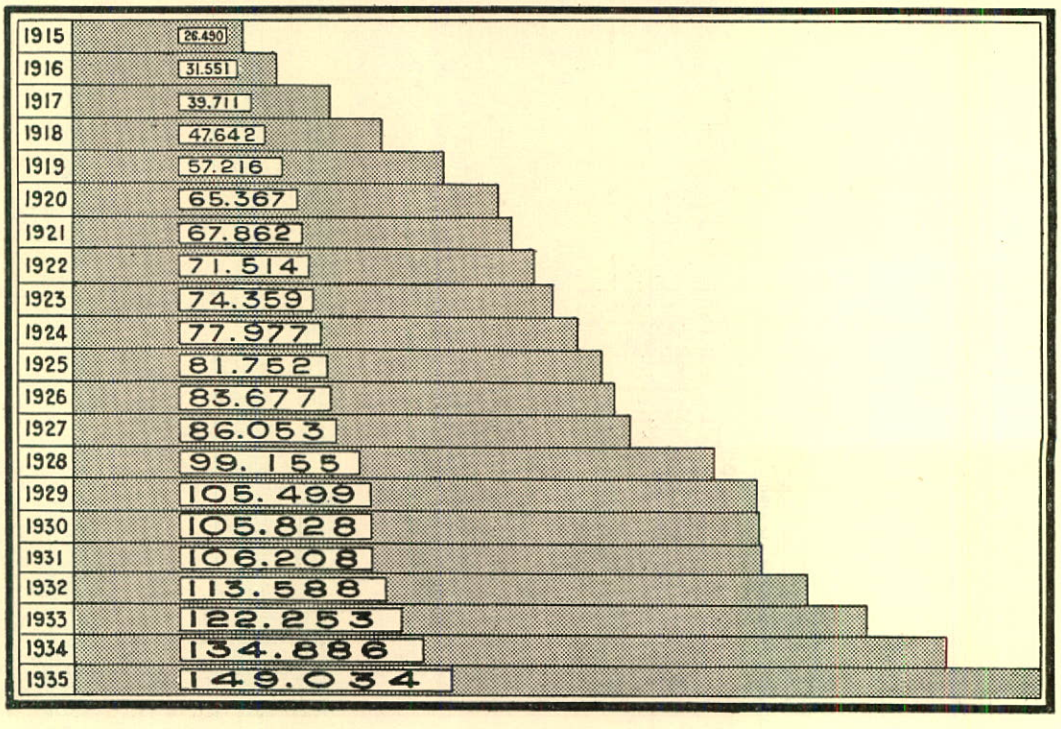
SALES OF ELECTRICAL ENERGY - K.W. HRS.



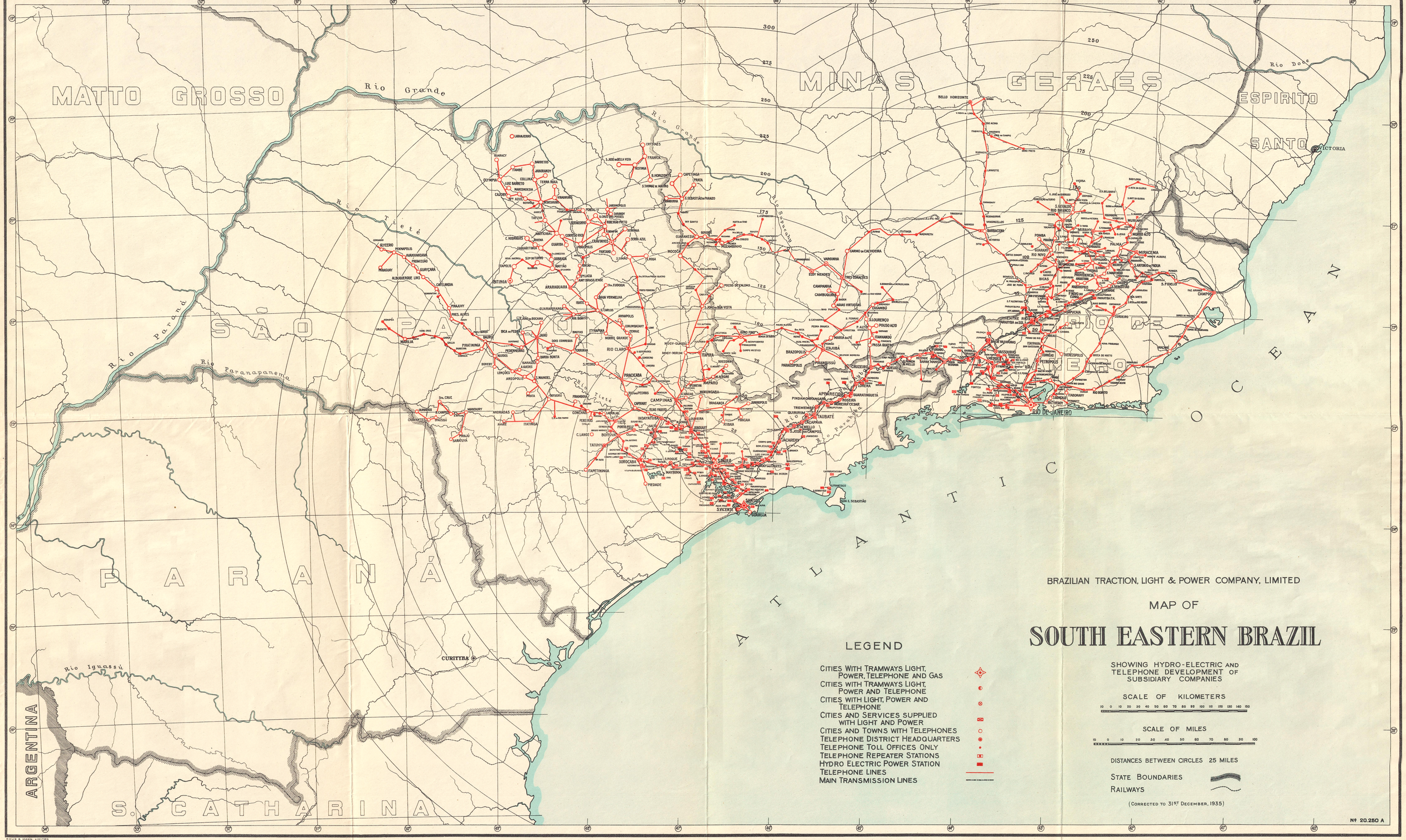
GAS SALES - CUBIC METRES



NUMBER OF TELEPHONES IN SERVICE



ALASKA
CANADA
AREA = 3,729,510 SQ. MILES
TORONTO
NEW YORK
U·S·A·
4800 MILES
MEXICO
C·A·
VENEZUELA
GUIANAS
BR·
DU·
FR·
COLOMBIA
EQUATOR
ECUADOR
PERU
BRAZIL
AREA = 3,275,510 SQ. MILES
BOLIVIA
PARAGUAY
SAO PAULO
SANTOS
RIO DE JANEIRO
CHILE
ARGENTINE
BUENOS AIRES
URUGUAY
MONTEVIDEO
SHADED PORTION INDICATES TERRITORY IN WHICH SUBSIDIARY COMPANIES OPERATE, INCLUDING TELEPHONE COMPANY.
~ SCALE ~
0 500 1000 2000 3000
MILES
0 500 1000 2000 3000
KILOMETERS


MATTO GROSSO
MINAS GERAES
ESPIRITO SANTO
S Ã O P A U L O
P A R A N Á
S. CATHARINA
ARGENTINA
ATLANTIC OCEAN
Rio Grande
Rio Tieté
Rio Paraná
Rio Paranapanema
Rio Iguassú
Rio Doce
Rio Parahyba
Rio Pardo
Rio Mogy-Guassú
Rio Pinheiros
BELLO HORIZONTE
VICTORIA
CURITYBA
RIO DE JANEIRO
SÃO PAULO
SANTOS
CAMPINAS
RIO CLARO
PIRACICABA
SOROCABA
JUNDIAHY
TAUBATÉ
S.JOSÉ dos CAMPOS
PETROPOLIS
NICTHEROY
S.GONÇALO
NITERHOY
S.FRANCISCO
ILHA S. SEBASTIÃO
ITAJUBÁ
POUSO ALTO
CRUZEIRO
APPARECIDA
RIO NOVO
MIRACEMA
CAMPO
ITAPERUNA
S.ANTONIO de PADUA
S.FIDELLIS
PARAHYBUNA
ITABIRANY
RIO BONITO
CABO FRIO
ARARUAMA
MACAHÉ
CAMPOS
S.JOÃO da BARRA
ITAPEMIRIM
CACHOEIRO
ITAPEMERIM
GUARAPARY
VICTORIA
ANCHIETA
GUARAPARI
ITAPEMERIM
S.MATHEUS
CONCEIÇÃO da BARRA
ITAUNAS
NOVA VENECIA
BARBACENA
S.JOÃO DEL REY
LAVRAS
CAMANDUCAIA
POÇOS DE CALDAS
ITAJUBÁ
PASSA QUATRO
ITAMARANDIBA
CARANGOLA
MANHUAÇU
CATAGUAZES
LEOPOLDINA
UBÁ
MURIAHÉ
S.ANTONIO
S.SEBASTIÃO
S.PEDRO
S.CARLOS
RIB. BONITO
ARARAQUARA
JAHU
BAURU
LENÇÓES
AREOPOLIS
PENAPOLIS
AVANHANDAVA
PROMISSÃO
GUAYÇARA
ALBUQUERQUE LINS
CAFELANDIA
PRADUHY
PRES. ALVES
PIRATININGA
MARILIA
GLICERIO
PIRAJUY
SARAPUHY
ITAPETININGA
TAPEVA
PIEDADE
MAYRINK
TAUBATÉ
QUIRIRIM
TREMEMBÉ
PINDAMONHANGABA
GUARATINGUETÁ
ROSEIRA
MORENHA CESAR
LORENA
CACHOEIRA
S.LOURENÇO
CAMBUQUIRA
CAMPANHA
EDDY MENDES
VARGINHA
CARMO da CACHOEIRA
TRES CORAÇÕES
AGUAS VIRTUOSAS
CAXAMBÚ
S.FERRAS
MARIA da FÉ
PRAIANISSO
BRAZOPOLIS
PARAZOPOLIS
ITAJUBÁ
S.CATHARINA
PEDRA BRANCA
PIRANGUSSÚ
CRUZEIRO
QUELUZ
BARRA MANSA
RESENDE
PIRAHY
VASSOURAS
PARAHYBA do SUL
ENTRE RIOS
PARAHYBUNA
PETROPOLIS
TERESOPOLIS
ITABORAHY
RIO BONITO
CAMPOS
S.JOÃO da BARRA
MACAHÉ
ARARUAMA
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